## **BUDGET RESOLUTION/Bipartisan Medicare Reform**

SUBJECT: Senate Concurrent Budget Resolution for fiscal years 2000-2009 . . . S.Con. Res. 20. Roth/Breaux modified amendment No. 176.

## **ACTION: AMENDMENT AGREED TO, 56-43**

SYNOPSIS: As reported, S.Con. Res. 20, the Senate Concurrent Budget Resolution for fiscal years 2000-2009: will cut the debt held by the public (money that the Federal Government owes to creditors other than itself) in half over 10 years; will fully fund Medicare (all of the President's proposed \$9 billion in Medicare cuts were rejected; as a result, this budget will allow \$20.4 billion more in Medicare spending over the next 10 years); will save the entire \$1.8 trillion in Social Security surpluses over the next 10 years for Social Security; will provide for \$778 billion in net tax relief over the next 10 years (in contrast, the President's budget would increase the tax burden by \$96 billion net over 10 years), and will adhere to the spending restraints (discretionary spending caps and pay-go provisions) of the bipartisan budget agreement as enacted in the Balanced Budget Act of 1997 and the Taxpayer Reform Act of 1997 (the President's proposed budget, in contrast, would dramatically increase spending in violation of that bipartisan agreement, and would result in \$2.2 trillion more in total Federal debt at the end of 10 years than proposed in this Senate budget).

**The Roth modified amendment** would express the sense of the Senate:

- that this resolution does not adopt the President's proposals to cut Medicare Program spending by \$19.4 billion over 10 years, nor does it adopt his proposals to spend \$10 billion of Medicare Program funds on unrelated programs;
- that Congress will not transfer to the Federal Hospital Insurance Trust Fund (Part A of Medicare) new IOUs that would have to be redeemed later by raising taxes on American workers, cutting benefits, or borrowing more money from the public;
- that Congress should work in a bipartisan fashion to extend the solvency of the Medicare Program and to ensure that benefits under the program will be available to beneficiaries in the future;
- that the American public will be well and fairly served if Medicare reform proposals are considered based on the principles of affordability, equity, adequacy, feasibility, and public acceptance;

(See other side)

YEAS (56)			NAYS (43)			NOT VOTING (1)	
Republicans Democrats (54 or 100%) (2 or 4%)		Republicans	Democrats		Republicans	Democrats	
		(2 or 4%)	(0 or 0%)	(43 or 96%)		(1)	(0)
Abraham Allard Ashcroft Bennett Bond Brownback Bunning Burns Campbell Chafee Cochran Collins Coverdell Craig Crapo DeWine Domenici Enzi Fitzgerald Frist Gorton Gramm Gramm Grams Grassley Gregg Hagel Hatch	Helms Hutchinson Hutchison Inhofe Jeffords Kyl Lott Mack McCain McConnell Murkowski Nickles Roberts Roth Santorum Sessions Shelby Smith, Bob Smith, Gordon Snowe Specter Stevens Thomas Thompson Thurmond Voinovich Warner	Breaux Kerrey		Akaka Baucus Bayh Biden Bingaman Boxer Bryan Byrd Cleland Conrad Daschle Dodd Dorgan Durbin Edwards Feingold Feinstein Graham Harkin Hollings Inouye Johnson	Kennedy Kerry Kohl Landrieu Lautenberg Leahy Levin Lieberman Lincoln Mikulski Moynihan Murray Reed Reid Robb Rockefeller Sarbanes Schumer Torricelli Wellstone Wyden	EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other  SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	nced Yea nced Nay Yea

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• that the recommendations by Senator Breaux and Congressman Thomas provide for new prescription drug coverage for the neediest beneficiaries within a plan that would substantially improve the solvency of the Medicare Program without transferring new IOUs to the Part A trust fund that would have to be redeemed later with new taxes, lower benefits, or new borrowing;

- that Congress should move expeditiously to consider the bipartisan recommendations of the Chairman of the President's National Bipartisan Commission on the Future of Medicare; and
  - that Congress should continue to work with the President as he develops and presents his plan to fix Medicare's problems.

## **Those favoring** the amendment contended:

Congress and the President should stop using Medicare as a political football. Right now, both sides are trying to get mileage out of political attacks against each other that place the blame for Medicare's problems. Many Senators on both sides of the aisle are sick of that approach. They want to fix the program, on a bipartisan basis. Afterwards, when the program is reformed, the President and those Members who want to play politics will still be able to make partisan hay out of Medicare, only they will be trying to take credit for Medicare's success instead of trying to assign blame for its failure.

The challenges confronting Medicare are great. Our population is aging. Health care costs are growing exponentially. New and necessary technologies are becoming more expensive, and the financial base of the Medicare program provided by working Americans is shrinking in proportion to the number of seniors who depend on it. As a result, the balance in the Part A Hospital Insurance Trust Fund is declining. The program is running yearly operating deficits. The Balanced Budget Act of 1997 helped to delay the bankruptcy of the trust fund for a few years, until 2008, but much more needs to be done.

Thankfully, there is a growing, bipartisan sense of optimism that the favorable economic conditions our Nation is enjoying have given us a real opportunity to work out a long-term solution to Medicare's challenges. We expect this year to address the long-term needs of the program, to consider expanding benefits, such as for prescription drugs, and to look at the most effective and cost-efficient means of delivering services. We will also carefully consider how this program interacts both with Social Security and with Medicaid. Medicare and Medicaid, for instance, are most obviously linked through the 5.4 million low-income elderly and disabled individuals who are eligible for both. For this dually eligible population, Medicaid essentially serves as a source of wraparound benefits, providing, among other important services, nursing home care and prescription drugs. In addition, nearly 600,000 low-income Medicare beneficiaries receive Medicaid financial support to meet Medicare's cost-sharing requirements. Medicare reform proposals that would affect these low-income populations must be very carefully undertaken to avoid simply shifting costs or responsibilities from one program to the other.

Immediately after passage of this budget, the Finance Committee will begin developing a bipartisan, consensus proposal for real Medicare reform. Hearings will be held, and the recommendations of the Bipartisan Commission on the Future of Medicare will be carefully considered. Senator Breaux and the other members of that commission worked very hard and committed a great deal of time during the past year to try to find a solution to the impending Medicare crisis. They deserve our appreciation for their efforts. In addition, the committee will take into consideration the many concerns and proposals of individual Senators--on both sides of the aisle--for improving this program.

Our effort to lay a solid foundation for the future of Medicare will be a major undertaking. This budget resolution has saved more than \$100 billion that could be used for the effort. Once we have achieved a bipartisan agreement on a comprehensive Medicare plan, we may indeed find it necessary to use part or all of that money for the plan, or even to find additional resources. We should not decide how much the plan will cost, though, before we even have a plan. We note that the Bipartisan Commission's plan, which had the support of 60 percent of its members but was one vote shy of being officially adopted, would have extended Medicare for 4 years and provided new prescription drug benefits at no net cost. We strongly urge our colleagues to set aside arguments about cost, and about preferred solutions, on this budget resolution. The issue is too complex to resolve in this venue. We urge them to instead join us in expressing our intent to work together to pass a comprehensive reform plan this year.

## **Those opposing** the amendment contended:

We are bothered by many elements of this amendment. For instance, it suggests that the President's proposal to save 15 percent of the surpluses over the next 15 years for Medicare will do nothing but give it Treasury note IOUs. We think that is not a fair characterization of that proposal. Those Treasury notes will make the program solvent for an additional 12 years. Also, we are concerned that a vote for an amendment may be seen as an endorsement of the Breaux-Thomas Medicare proposal, which was nearly adopted by the President's Bipartisan Medicare Commission. Some of us are willing to consider that plan, but we are not about to endorse it at this point. We commend our colleagues on both sides of the aisle who had the courage to suggest sweeping reforms, and we are willing to consider such reforms. In our opinion, probably both reforms and additional funds are going to be needed to protect Medicare. We will work with our colleagues on developing a bipartisan solution, and we are willing to make politically difficult choices. Unfortunately, this amendment calling for bipartisanship has findings that have understandably caused partisan rancor. It is counterproductive, and should be rejected.